BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA DOCKET NOS. 2017-207-E, 2017-305-E, & 2017-370-E

IN RE:

Friends of the Earth and Sierra Club,

Complainants/Petitioners,

V.

South Carolina Electric & Gas Company,

Defendant/Respondent.

IN RE:

Request of the Office of Regulatory Staff for Rate Relief to South Carolina Electric & Gas Company's Rates Pursuant to S.C. Code Ann. § 58-27-920.

IN RE:

Joint Application and Petition of South Carolina Electric & Gas Company and Dominion Energy, Inc., for review and approval of a proposed business combination between SCANA Corporation and Dominion Energy, Inc., as may be required, and for a prudency determination regarding the abandonment of the V.C. Summer Units 2 & 3 Project and associated customer benefits and cost recovery plan.

EXHIBIT 2

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STATE OF SOUTH CAROLINA) COURT OF COMMON PLEAS
COUNTY OF HAMPTON) CASE NO. 2017-CP-25-00335
RICHARD LIGHTSEY, LeBRIAN CLECKLEY, PHILLIP COOPER, et al., on behalf of themselves and all others situated,))))
Plaintiffs,)
v.	
SOUTH CAROLINA ELECTRIC & GAS COMPANY, a Wholly Owned Subsidiary of SCANA, SCANA Corporation, and the State of South Carolina, Defendants. SOUTH CAROLINA OFFICE OF REGULATORY STAFF, Intervenor.	
VIDEOTAPED DEPOSITI (Taken by Defendants South Company and SCAN October 5	Carolina Electric & Gas (A Corporation)
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Reported by: Rebecca L. Arri	son
Court Reporter	
Notary Public	

CSI GLOBAL DEPOSITION SERVICES 972-719-5000

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1	related to an independent assessment?
2	A. The next time I recall was between
3	October 15th and October 27th. I don't recall the
4	specific date.
5	Q. So to the best of your memory, this
6	conversation with Skip Smith occurred in early 2014;
7	is that right?
8	A. Yes.
9	Q. Are you confident that it wasn't 2015?
10	A. No, not my recollection is that it was in
11	early 2014, but I am not super confident that it
12	wasn't in 2015.
13	Q. So were you ever informed by Gene Soult that
14	in August 2015, SCE&G's outside counsel had hired a
15	third party to conduct an assessment of the project?
16	A. No.
17	Q. You are aware though now, are you not, that
18	Mr. Soult was so informed in August of 2015?
19	MR. COX: Object to the form.
20	THE WITNESS: I have seen
21	Mr. Soult's summary that stated that, yes.
22	BY MR. CHALLY:
23	Q. And Mr. Soult it's your testimony that
24	Mr. Soult did not convey that point to you at the
25	time?
1	

84 1 Α. No, he did not. 2 It's my understanding that Mr. Soult was Q. informed as to some information related to the 3 assessment at an on-site entity meeting; is that your understanding as well? My understanding was that how Mr. Soult Α. No. found out was he was at the plan-of-the-day meeting, 7 which he periodically attended. At the end of --8 toward the end of that meeting, a gentleman stood up 9 unknown to Mr. Soult, announced his thanks to the 10 staff for their support during the assessment that 11 was just completed, then donned a Bechtel hardhat, 12 and the person next to him did the same thing. 13 Mr. Soult did then inform us of that occurrence at a 14 meeting with Allyn Powell and myself. 15 16 So following this plan-of-the-day meeting Q. where an individual with a Bechtel hardhat made 17 18 comments, Mr. Soult informed you and Ms. Powell --19 Α. Correct. -- of that development; is that right? 20 Q. 21 Correct. Α. 22 What do you recall Mr. Soult telling you? Q. 23 Α. Exactly as I conveyed; that the guy stood up 24 during the plan-of-the-day meeting, announced that --25 he thanked everyone for their assistance during the

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l	assessment, donned the hardhat, and the meeting was
2	over.
3	Q. Donned a hardhat with a Bechtel logo on it?
4	A. Correct.
5	Q. So no doubt in your mind that following this
6	plan-of-the-day meeting, Mr. Soult, Ms. Powell, and
7	you were aware of the fact that someone with a
8	Bechtel hardhat had completed an assessment of the
9	project; is that right?
10	A. We knew they did some kind of an assessment;
11	did not know the scope nor results, whatever.
12	Q. And Bechtel was one of the three contractors
13	that you had suggested to Mr. Smith some time prior?
14	A. Correct.
15	Q. So what did you do once you learned this
16	information from Mr. Soult?
17	A. I generated a question on our agenda, which
18	was our standard practice. On the agenda, we
19	provided input on a monthly basis to SCE&G. We
20	provided information in advance of our questions
21	based on our document review and project developments
22	that occurred. So we generated a question, and my
23	question was: Give me the top ten results of the
24	Bechtel or the Bechtel assessment that was performed.
25	Q. So how are you familiar with Bechtel?

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1	A. Worked with them. I mean, from the
2	beginning of my career, they were they used to be
3	more of a competitor to Sargent & Lundy than they are
4	now because they used to be more of an engineering
5	and construction firm. The reality of the case now
6	is more of a construction firm. So they were one of
7	our major competitors when I started my career. So I
8	have been associated with them as a competitor.
9	I also worked on teams that included Bechtel
10	personnel, worked on plants where Bechtel was the
11	major construction contractor. My old company has
12	been subcontracted to do engineering work for Bechtel
13	on multiple projects. So it's a long history of
14	familiarity with Bechtel.
15	Q. You're aware that they're prominent in the
16	nuclear construction industry?
17	A. Absolutely, yes.
18	Q. And in fact, much later, not only did you
19	recommend Bechtel to Mr. Smith, but in 2016, you
20	recommended Bechtel as an option to review SCE&G's
21	sensitivity analysis, didn't you?
22	A. That's possible. I don't recall that. I
23	have a vague recollection that they were looking for
24	someone to give some validation to their to the
25	analysis that they were doing themselves. I don't

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1	recall that specifically, but it's possible.
2	(Exhibit No. 2 was marked for
3	identification.)
4	Q. Okay. I'm going to hand you what I have
5	marked as Exhibit 2.
6	A. Oh, I'm sorry I misunderstood your question.
7	I thought you said SCE&G sensitivity analysis. I'm
8	sorry. I misunderstood your question.
9	Q. Yeah. No problem.
10	So what I have handed you as Exhibit 2
11	appears to be an e-mail from you to Ms. Powell
12	A. Yes.
13	Q dated June 6. Do you recall this e-mail?
14	A. I do. As I said, I misunderstood your
15	question. If we're talking about ORS, I definitely
16	remember making this recommendation, yes.
17	Q. So this was a recommendation you made as to
18	who the ORS might hire to evaluate the sensitivity
19	analysis submitted by SCE&G in 2016; is that right?
20	A. Correct.
21	Q. Did you believe you weren't qualified to
22	evaluate that sensitivity analysis?
23	A. I thought that it needed more participation
24	than me, than a single individual.
25	Q. Okay.
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1	A. I always thought that I would be part of
2	whatever team came in, but I thought we needed more
3	resources to do that.
4	Q. What do you recall the response being to
5	your suggestion?
6	A. Well, the response was thank you for the
7	input. Other than that, I don't recall what happened
8	to this.
9	Q. But you knew, as your e-mail suggests, that
10	Bechtel had done work for SCE&G, at least the prior
11	year, right?
12	A. Yes. But I did not, as I said, I did not
13	know the scope or what they had been involved in.
14	(Exhibit No. 3 was marked for
15	identification.)
16	Q. Let me show you what I have marked as
17	Exhibit 3. You can however you want to organize
18	those, the court reporter will help you at some
19	point.
20	A. All right.
21	Q. Handing you what I have marked as Exhibit 3.
22	Do you recall this document, Mr. Jones?
23	A. It appears to be the agenda of our
24	October 27-28 site visit, yes.
25	Q. And this is the agenda that you said you had

89 1 prepared in your testimony a few minutes ago, right? 2 Not prepared; provided input to. actual -- the red parts are input. Q. So on page five, Section VI, Roman VI, d, it discusses the status of the Bechtel assessment and the top ten issues noted thus far. Α. 7 Yes. 8 Q. So that's your addition to this agenda, 9 correct? 10 Α. Correct. 11 How did you know to identify top ten issues? Q. 12 Α. To me, that's an easy question. If somebody does an assessment, tell me the top ten things you 13 14 I had no idea what their scope was. 15 was a question that if I know that somebody did an 16 assessment, my question is going to be, well, what 17 were the most important things found. 18 Q. So if you're informed that someone is doing 19 an assessment, you have the understanding that they 20 must have reached certain conclusions related to that 21 assessment, right? 22 Α. Yes. 23 And so then in 2015, in October, you were aware that Bechtel had not only done an assessment 24 25 but they had reached a certain conclusion?

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1	A. No, I was not aware. I assumed they had.
2	Q. And you assumed because you were simply
3	informed of the fact that there was an assessment?
4	A. Correct.
5	Q. And you recall having a discussion that
6	followed your decision to put this item on the
7	agenda?
8	A. I'm sorry, "a discussion"?
9	Q. Do you recall a discussion with someone at
10	SCE&G about the items that you had on this agenda?
11	A. Discussion other than at the meeting?
12	Q. No, that discussion.
13	A. At the meeting, when we got to this item to
14	discuss it, that was the discussion that I talked
15	about previously was Skip Smith and Shirley Johnson.
16	Q. Do you recall asking Alan Torres for
17	information about this assessment?
18	A. Subsequent to the meeting, and I don't
19	recall the date or the time, but we were having a
20	general discussion, and what Mr. Torres told me was
21	that they didn't find anything new, said, no,
22	nevermind.
23	Q. So can you this discussion with
24	Mr. Torres was after your discussion with Mr. Smith
25	that followed your including this on the agenda

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1	items; is that right?
2	A. Right.
3	Q. Do you recall any with any additional
4	specificity when you had this discussion with
5	Mr. Torres?
6	A. No.
7	Q. Was it you submitted testimony to the PSC
8	in 2016, didn't you?
9	A. Yes.
10	Q. Was this discussion with Mr. Torres before
11	your testimony in 2016?
12	A. For my testimony in 2016, you said?
13	Q. Correct.
14	A. Yes. It was shortly after this, but I can't
15	give you the specific time.
16	Q. And is it your testimony that you recall
17	Mr. Torres telling you that he didn't have the
18	assessment?
19	A. We didn't discuss specifically whether he
20	had the assessment because I was told there was no
21	written assessment. But we were discussing results,
22	and he told me that they found nothing new and it was
23	a no-nevermind. Those may not have been his exact
24	words but pretty close.
25	Q. So who informed you that there was no

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1	written assessment at this time?
2	A. Mr. Smith and Shirley Johnson.
3	Q. And that is the discussion that you recall
4	occurring at this site meeting?
5	A. Correct.
6	Q. So did you ask Mr. Torres whether there was
7	an assessment, a written assessment, at this time?
' 8	A. Not at that time, no, I did not.
9	Q. You did ask him what the results of the
10	assessment were; is that right?
11.	A. I think he actually started the
12	conversation, because I think he had talked to Skip
13	Smith about our request, and I think he told me that
14	the results were they didn't find anything. I don't
15	think I asked him a specific question; he told me
16	that it was a no-nevermind.
17	Q. So you're aware of Bechtel's prominence in
18	the construction industry and specifically with the
19	nuclear projects, correct?
20	A. Yes.
21	Q. And you were aware of that at the time of
22	your discussion with Mr. Torres?
23	A. Yes.
24	Q. And you're aware that you had recommended to
25	Skip Smith, potentially in 2014, that Bechtel be

93 hired to do an independent assessment of the project? Α. Correct. And you're further aware that that 3 Ο. assessment had been conducted in 2015, correct? What I was aware of at this time is that Α. Bechtel had done something. 7 Q. Right. Α. I had no idea what their scope was. 8 Q. You called it an assessment? They called it an assessment. 10 Α. 1 I Correct. And you have an understanding, Q. 12 generally, what you described as to what an 13 assessment would do, which is lead to some 14 conclusion. But there is a broad range available. 15 Α. 16 Q. Understood. So you understand that one of 17 the prominent construction engineering firms in the 18 country has done an independent assessment, as they 19 described it, of the project; you're informed that 20 nothing new arises out of that project. Do you ask 21 Mr. Torres for any additional information? 22 Α. No, I did not, because he said there was 23 nothing new. 24 Do you recall anything else at all about 25 this discussion with Mr. Torres?

94 Α. No. 2 Do you recall telling Mr. Torres that you 3 intended on following up with Dukes Scott on this issue? 5 Α. I have seen that, but to -- I do not recall I am not saying it's not true. I have seen that in Mr. Torres's testimony, but I do not recall 7 8 that. 9 Q. Do you recall reporting to Mr. Scott that 10 one of the, in your view, leading engineering and 11 construction firms had conducted an assessment of the 12 project? 13 I actually don't recall that. Α. 14 And to give you some context, this was the 15 time when the new amendment had been issued, so we 16 were very much more involved in what was going on with that. So I don't recall whether I actually told 17 Mr. Scott or not that Bechtel had done some 18 19 assessment. I may have. I don't recall. 20 You expect you would have reported this Q. discussion with Mr. Torres to Ms. Powell? 21 22 I may or may not have. In fact, I don't 23 even know if she was present. She could have been present at the time the discussion took place, but I 24 25 don't recall. I do recall that there was some

95 discussion. So you don't recall conveying the substance 0. of your conversation with Mr. Torres to anyone; is that right? Α. I do not recall, no. Prior to the July 31st, 2017 abandonment of Q. 7 construction at the project, did you have any other 8 discussions with Mr. Scott about Bechtel's assessment? 10 Α. Prior to the abandonment, you said? 11 Q. Correct. 12 Α. No. 13 You never discussed with Mr. Scott the fact Q. 14 that Bechtel had conducted an assessment prior to 15 abandonment? Oh, we did after the response to the AIR. 16 Α. 17 We did have a discussion of why Bechtel was not 18 included in their list of consultants. Once they 19 responded to our AIR, and that's specifically referenced to -- I don't recall the specific number, 20 21 but we did discuss that: Why, why isn't Bechtel on 22 here in the list of consultants that they hired. 23 So at the time of the AIR -- and this is one Q. 24 that I think denominated as 132; is that right? 25 Α. That sounds correct.

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1	Q. So at the time that you received SCE&G's
2	responses to that AIR, you immediately questioned why
3	Bechtel wasn't identified; is that right?
4	A. We did.
5	Q. And you discussed that with Mr. Scott?
6	A. Yes.
7	Q. So Mr. Scott, at the time of the AIR
8	response, was fully aware of the fact that Bechtel
9	had conducted some sort of an assessment, right?
10	A. Yes.
11	Q. Because you had conveyed that to him?
12	A. Right.
13	Q. In that conversation, did he relate to you
14	that he had separately become aware of that fact?
15	A. No.
16	Q. So that was the first he had heard of
17	Bechtel conducting an assessment, when you told him?
18	A. I don't know.
19	MR. COX: Object to the form.
20	BY MR. CHALLY:
21	Q. Don't know?
22	A. I'm sorry. I don't know.
23	Q. Was anyone else involved in that
24	conversation?
25	A. I don't recall.

97 1 Do you recall any lawyers being involved in Q. that conversation? I don't recall. 3 Α. Q. What do you recall discussing with Mr. Scott? All I recall is the discussion. And there Α. may have been others present, I don't remember, but 7 8 the fact that, hey, why didn't they -- why isn't Bechtel listed on this as one of the consultants that 9 10 they hired. We didn't understand that at all, because we knew that they did some kind of an 11 12 assessment. We didn't know the scope or what it was, 13 but we couldn't understand why they weren't listed. 14 Q. Was that your comment or was that someone 15 else's comment? 16 It was joint. It was a joint revelation to 17 all of the team, to Gene, to Alan, and to me. 18 like when we -- and we saw the responses at different 19 times, but all of us had the same reaction. 20 Q. You all knew at the time you saw the 21 response that Bechtel had conducted an assessment of 22 some sort, right? 23 Α. Correct. 24 Q. Now, what do you recall concluding as to 25 You said you discussed why SCE&G might not

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1	have revealed that. What do you-all recall
2	concluding?
3	A. Well, we concluded at the time that they
4	were withholding information.
5	Q. Who did you did you follow up with them?
6	A. We did; we gave them a second chance.
7	Q. When?
8	A. We revised the AIR, sent it out again.
9	Q. And then that was responded to, correct?
10	A. Correct.
11	Q. Did you have a discussion as to the response
12	that you received?
13	A. Yes, we did.
14	Q. What was that discussion?
15	A. The discussion was they still didn't list
16	Bechtel.
17	Q. Any further topic addressed during that
18	discussion; meaning, was there any further context to
19	the discussion you had related to the fact that SCE&G
20	didn't mention Bechtel in that response?
21	A. I don't I don't recall what the
22	subsequent discussion was or whether we had I
23	mean, we were still all surprised that they didn't
24	provide us with Bechtel.
25	Q. So back to October of 2015, you include

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1	discussed the status of the Bechtel assessment and
2	top ten issues on this agenda. You have a discussion
3	with Skip Smith and Shirley Johnson related to this
4	topic at the time. And you sometime thereafter have
5	a discussion with Alan Torres. Are you aware that
6	this particular item wasn't contained on the November
7	agenda prepared for a similar meeting?
8	A. Correct.
9	Q. And you chose not to include that on the
10	agenda; isn't that right?
11	A. We did. We broached the topic again, but it
12	was not an agenda item because we believed that there
13	was no further discussion to be had.
14	Q. So you say you discussed the Bechtel
15	assessment again in November?
16	A. We brought up the topic and
17	Q. Who do you recall bringing up the topic?
18	A. At that time, it was actually Gene Soult
19	that brought it up again.
20	Q. What was the context of him bringing up the
21	topic?
22	A. I think it was like I characterized as
23	giving them another chance to say what, what were the
24	results of the Bechtel assessment or what was the
25	scope of the Bechtel assessment.

100 1 Q. Who did he direct that question to? 2 Α. Again, it was to Skip Smith and Shirley Johnson who were regular attenders at the meeting. 3 What do you recall their response being at Q. the time? Α. Still the same. Which was exactly what? Ο. That there was no written report and we 8 Α. don't know anything about it. 10 Did you indicate you intended to follow up 11 with anyone else? 12 Α. Not at that time, no. 13 Why? Q. 14 We had been told that there was no written 15 report, we had been told that there were no 16 significant findings, and so we didn't see any reason 17 to pursue it. We did not know what the scope was, 18 and we had been told it was for a high level kind of 19 an assessment, so we didn't pursue it at that time. 20 0. So after November of 2015, this meeting that 21 you've just described, do you recall discussing the 22 assessment -- let me back up, let me be clear. 23 After this November 2015 meeting, and 24 excluding your discussion with Alan Torres, do you 25 recall having a discussion with anyone at SCE&G about

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- this assessment prior to abandonment?
- A. The only other person that I think I had
- 3 discussion with was almost the same context was Kyle
- Young, and it was in the same time frame as we're
- talking about here. He said essentially the same
- 6 thing as Alan Torres; that it was nothing new,
- 7 nothing to see here, no-nevermind.
- 8 Q. Can you give any greater specificity as to
- 9 when that conversation with Mr. Young occurred?
- 10 A. I cannot.
- 11 Q. Do you recall whether you brought it up or
- 12 he brought it up?
- 13 A. No. In that case, I actually think it
- 14 was -- Kyle was usually our tour quide for the site
- 15 visit, so I think it just came up in conversation as
- 16 we were driving around in the truck.
- 17 Q. Did you ever talk to anyone at Santee Cooper
- 18 about the assessment?
- 19 A. No.
- Q. Did you ever talk to anyone at SCE&G about
- 21 Bechtel, other than these times that you have
- 22 recounted?
- 23 A. I can't recall. I don't know if I did or
- 24 not.
- 25 Q. Same question with Santee Cooper: Did you

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1	ever talk to anyone at Santee Cooper about Bechtel?
2	A. No.
3	Q. Did you ever speak to anyone affiliated with
4	the Electric Cooperatives about the assessment?
5	A. About the Bechtel assessment?
6	Q. Yes.
7	A. No.
8	Q. Did you ever speak with anyone at ECSC
9	related to the assessment?
10	A. No.
11	Q. Did you ever speak to Mike Couick about the
12	assessment?
13	A. No.
14	Q. Did you ever speak to Mike Couick about
15	Bechtel?
16	A. I can't recall whether or not I mean,
17	Bechtel may have come up in some conversations about
18	Vogtle, but I don't recall.
19	Q. So all of this information that you
20	described about the Bechtel assessment, as you
21	understood it, is information that you had before
22	your 2016 PSC testimony, right?
23	A. Repeat that, please.
24	(The record was read as requested.)
25	THE WITNESS: All of the

103 1 information that I had that they had done some assessment --2 3 BY MR. CHALLY: Q. Yes. -- without knowing what it was? And you didn't mention Bechtel or this 6 assessment in your 2016 testimony, right? 7 I did not. 8 Α. 9 Q. You nevertheless extensively discussed the 10 status of your project in that testimony, didn't you? 11 I discussed the status of the project in my 12 testimony, yes. 13 And your testimony reflects your independent 14 evaluation of the status of the project, doesn't it? 15 Yes, based on my review of the documentation 16 available to me and my experience, yes. 17 It further reflects your independent Q. 18 evaluation of the EPC amendment and specifically the 19 fixed price option, doesn't it? 20 Α. Yes. 21 You concluded, as least as it relates to 22 schedule, that the ORS recommends that the Commission 23 approve the proposed guarantee, guaranteed 24 substantial completion dates, didn't you? 25 Α. I did.

104 And you concluded ultimately that the request sought by SCE&G in this 2016 docket was 3 appropriate in that testimony, didn't you? I did, based on the information available to me at the time. 6 Q. You never told anyone at the Commission 7 about the assessment that you knew had been ongoing, 8 right? 9 Α. "Ongoing"? What does that mean? 10 Did you ever tell anyone at the Commission 11 about the assessment that you knew had been conducted 12 on the site? 13 Α. By Bechtel? 14 Q. By Bechtel. 15 Α. No. 16 You didn't think you needed to provide that Q. 17 information, did you? 18 Α. I did not. I didn't think it was 19 significant. 20 Do you recall meeting with Mike Couick and Q. 21 Mike Tye of the Electric Cooperatives in December of 22 2015? 23 Α. Not specifically, but there were meetings 24 where I did meet with Mike Couick. 25 (Exhibit No. 4 was marked for

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1	identification.)
2	Q. I'm handing you what I have marked as
3	Exhibit 4. This appears to be an invoice that you
4	submitted; is that right?
5	A. I don't remember if this one was submitted
6	or not, but it's my detailed invoice that I prepared.
7	I don't remember what time I stopped submitting
8	detailed invoices.
9	Q. Okay. Flip to do you see the Bates
10	number that's at the top? And I think my copy is in
11	red, yours might not. GJ Notes. Do you see that?
12	A. Yes.
13	Q. Okay. Go to 001544.
14	A. Okay.
15	Q. There is a Date of Work or Expenses field,
16	2015, 12/16, Meetings with SCE&G and ORS management
17	at the VCS site offices, document review and meeting
18	with Mike Couick and Mike Tye of Electric
19	Cooperatives of South Carolina.
20	A. Okay.
21	Q. Who is Mike Tye?
22	A. Actually, I don't know. I got his name at
23	the meeting but I really don't know who he is.
24	Q. Is it your understanding he is affiliated
25	with the cooperatives?

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1	A. I don't know. He was at the meeting.
2	That's all I know.
3	Q. What do you recall happening at this
4	meeting?
5	A. What do I recall? I don't recall anything.
6	A general characterization, I would say, you know,
7	it's an updated status of the project, but I have no
8	recollection of this meeting.
9	Q. Prior to abandonment, is it your testimony
10	that you were unaware that Bechtel had issued any
11	written report?
12	A. That's correct.
13	MR. CHALLY: So I'm at a logical
14	stopping break and it's 12:10. Terry, you
15	mentioned you wanted
16	MR. RICHARDSON: Yes, this is
17	fine.
18	MR. CHALLY: This works?
19	MR. RICHARDSON: Fine. No
20	problem.
21	MR. CHALLY: Okay. Why don't we
22	take a relatively short break for lunch.
23	MR. COX: Yeah, let's go off.
24	THE VIDEOGRAPHER: We are going
25	off the record at 12:11 p.m.